
FINANCE AND MARKETING WORKING TOGETHER TO CREATE VALUE



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Why this is important – swimming in data!

Market Share

Unaided Awareness

Trade Promotion Lift Index

Bonding

Brand Loyalty

Persuasion

FSI ROI

Penetration

Social Buzz

Price Elasticity

Preference



TV Advertising ROI



Source: Richardson (Kimberly Clark) 2/16/12 (MASB)

Why this is important to Finance...

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*Finance is seeking
to identify metrics
that will predict
market results...so
we can manage
marketing
spend...determine
where to invest for
desired financial
results...*

TV Advertising ROI



Source: Scaramuzzi (ConAgra Foods) 11/1/12 (MASB)

“What is your quest?” – Monty Python

$$\text{ROMI} = \frac{\text{Return} - \text{Cost}}{\text{Cost}}$$

- ❑ Very elusive
- ❑ Not for lack of measures
- ❑ Difficult to find metrics tying activities to results
- ❑ The HOLY GRAIL = reliably predicting financial outcomes

This is where MASB is comes in...

How this emerged in 2004-2007 time frame

- **Marketing can be relegated to a discretionary “cut-able” cost, because of an inability to tie activities and costs to corporate return in a predictable manner (i.e., an “investment”).**
- **The market is unlikely to achieve consensus on its own.**
- **There is need for an industry level “authority” to establish the standards and to ensure relevancy over time.**
- **As was true for manufacturing and product quality (with ANSI & ISO) and for accounting and financial reporting (with FASB & IASB), so it would be true for marketing and profitable growth (with MASB).**



Marketing Accountability Standards Board (MASB) Mission



Establish marketing measurement and accountability standards across industry and domain for continuous improvement in financial performance and for the guidance and education of business decision makers and users of performance and financial information.

And partnering with Finance is the surest way forward!

MASB charter member organizations



Charter members (agents and marketers)

nielsen



Starcom MediaVest
GROUP

ConAgra Foods
Food you love

The MMAP Center

Kimberly-Clark

CoreBrand

HERSHEY'S
The Hershey Company

Foresight ROI

gptv™

BlueMarble
ENTERPRISES, INC.



BRAND-FINANCE®



MSWARS
RESEARCH

MillerCoors™

MASB will close out charter designation
w/4 more marketer members

MillerCoors®

5/8/2014

How MASB supplements MillerCoors' efforts

MASB has contributed to significant business enhancement efforts currently underway at MillerCoors.

**ANALYTICAL
CAPABILITIES**

ORGANIZATION

**RESOURCE ALLOCATION
METHODOLOGIES AND TOOLS**

"ON THE FLY" RE-ALLOCATION

CROSS-FUNCTIONAL ACUMEN

GOVERNANCE STRUCTURE

DECISION RIGHTS

METRICS

**RESEARCH ON METRICS CRITERIA
SCORECARDING
AFTER-ACTION REVIEWS**

Business enhancements



More effective marketing returns

Holistic approach to marketing mix

Integration of media data into all commercial analyses

- **Direct lift analysis**
- **Quasi experimental designs**
- **Tool sets and simulators**
- **Alliance valuation and evaluation**
- **Monitoring of key social listening sites**
- **Cross-media attribution**

Integrated analysis and reporting

- Consistent brand and sales evaluation methodologies
- Standardization of metrics
- Integration of consumer and commercial metrics
- Data warehousing
- Training and materials

New approach to annual resource allocation

- **Need to overcome “inertia” of history.**
- **Portfolio strategy drives “eligibility” for resources.**
- **Most brands operate under “base case plus over-lay” process.**
- **Over-lay pool represents 20-25% of available resources.**
- **New/newer brands start at zero base.**

Designated as the “Tournament of Ideas.”

AKA, “The Hunger Games”



One organizational challenge...

How do we “financial-ize” the marketers...



One organizational challenge...

...and “marketing-ize” the finance folks?

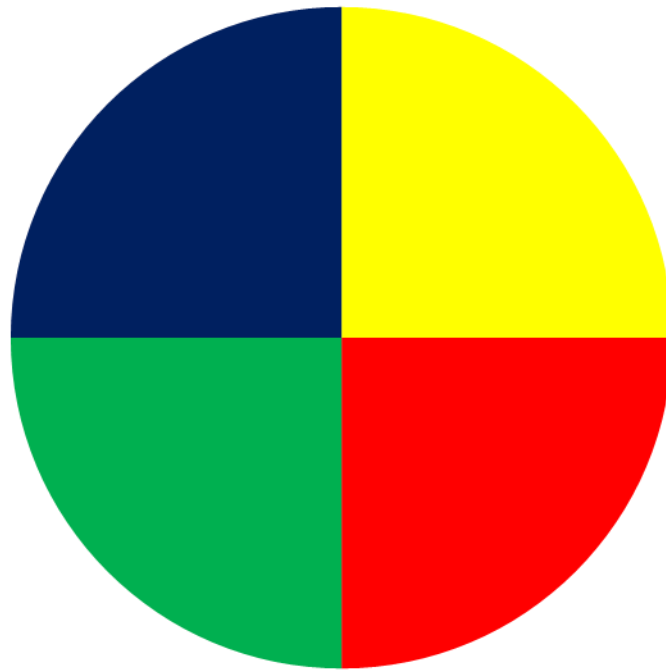


From hopes and dreams to fact-based projections

- It used to be that the folks on left made a lot more than the guy on the right—still true?



Emergenetics Profile



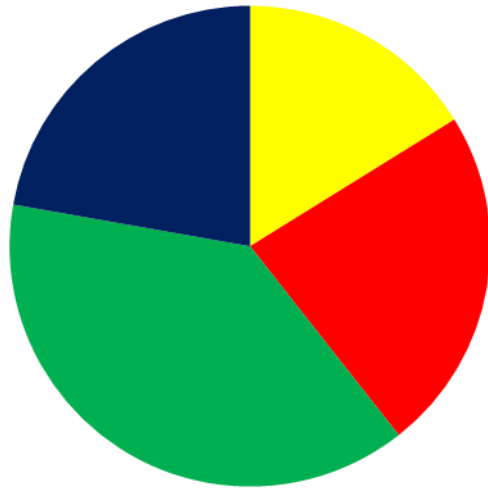
■ Conceptual

■ Social

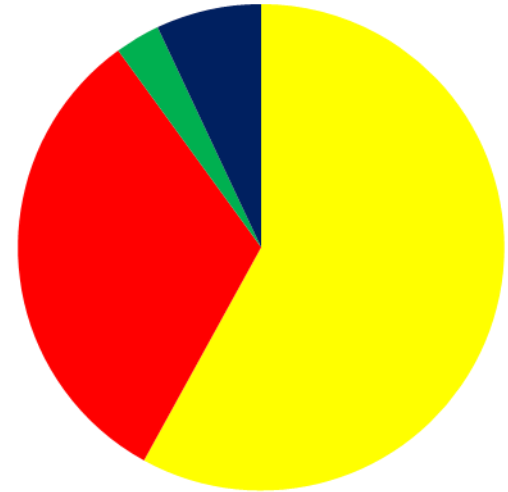
■ Structured

■ Analytical

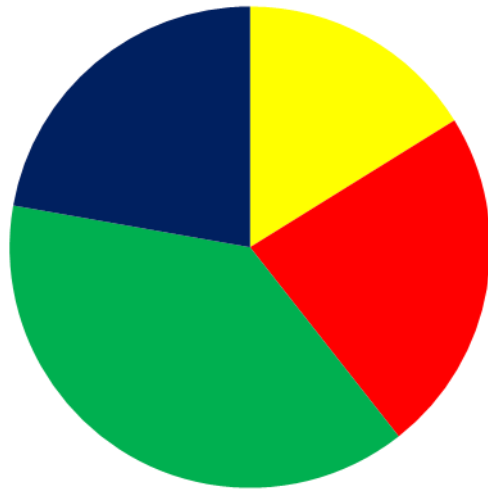
SO, WHO ARE WE?



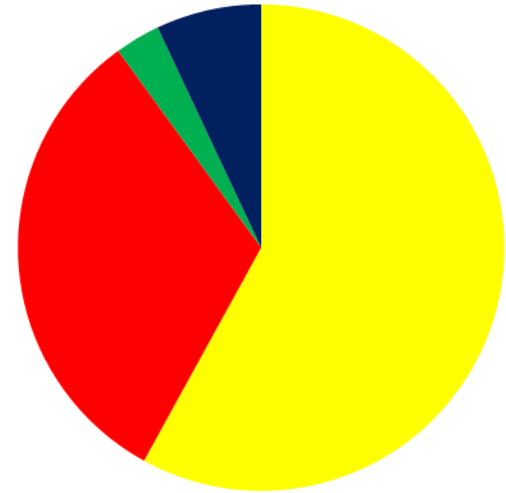
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SO, WHO ARE WE?



■ Conceptual
■ Social
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While great marketing is art, measurement of the business impact and improving the track record is mostly science but a bit of art as well.

At MASB, we're setting standards for applying the science of measurement and process management to the art of marketing.

MASB project work and activities

- Marketing Productivity, Effectiveness, & Accountability
- Objectives of Marketing Standards
- Academic Review: Role of Standards
- C-Level Views on Marketing Accountability
- Common Language in Marketing Dictionary
- Marketing Metric Audit Protocol – MMAP
- Practices Underlying Ideal Metrics
- The Long-Term Impact of Advertising, What is Known
- Measuring (Forecasting & Improving) Return from TV
- Rationale & Proposed Principles for Brand Valuation
- **Brand Investment & Valuation (Empirical Model)**
- **MMAP Metrics Catalogue**
- Over 50 Articles & Presentations
- 14 Two-Day Summits

